

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN BETTY LOU KASTEN**, on March 17, 1999
at 7:04 A.M., in Room 312 - 2 Capitol.

ROLL CALL

Members Present:

Rep. Betty Lou Kasten, Chairman (R)
Sen. Chuck Swysgood, Vice Chairman (R)
Rep. Beverly Barnhart (D)
Rep. John Cobb (R)
Sen. Bob Keenan (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Delila Croucher, Committee Secretary
Lois Steinbeck, Legislative Branch
Greg Petesch, Legislative Branch
Bob Andersen, OBPP
Connie Welsh, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s): Managed Care
Executive Action: none

INFORMATIONAL HEARING ON MANAGED CARE

Paul Meyer, Executive Director of the Western Montana Mental Health Center, gave the Committee a brief update on the transition from Magellan Behavioral Health to a regional system. He asked that Magellan be asked to leave as early as April 1st, 1999, and that the state resume risk for six months beginning at

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that time. He suggested that the Committee reconsider a totally centralized ASO system. **EXHIBIT(jhh60a01)**

{Tape : 1; Side : A; Approx. Time Counter : 0 - 12.6}

Sen. Swysgood asked Paul Meyer why he was opposed to a centralized ASO concept. Mr. Meyer responded by saying that no one other than Magellan was prepared to walk into the role that they play in managed care. Sen. Swysgood inquired as to what facilities mental health centers have in place to pay claims and how Mr. Meyer would envision administration of this being accomplished. Mr. Meyer stated that the computer infrastructure is in place and experience paying claims is available. Eligibility would be handled the same as prior to managed care. Under his plan, each center would be responsible for processing claims, payments, and administrative system. Consistency would be accomplished from original RFP and statewide guidelines.

{Tape : 1; Side : A; Approx. Time Counter : 12.6 - 16.1}

Dan Anderson presented a competitive RFP process on behalf of the Department. A testing process assessing the capability of the entities awarded the bids would be in place. It would be some time next winter before a totally functioning system would be in place. A three region option is recommended and it is believed that strong case management is the key to a successful managed care system. The non-Medicaid, or state assisted group, eligibility standards, resource and income tests in prioritizing services to this population are being explored and the Department is working on trying to get the public involved and informed in the transition. In order to operate a capitated system the Department needs a waiver approved by HCFA. The Department will at some point in the transition have to go to a fee-for-service system. **EXHIBIT(jhh60a02) EXHIBIT(jhh60a03)**

{Tape : 1; Side : A; Approx. Time Counter : 16.1 - 25.8}

Sen. Waterman asked the Department if they consulted with the northeastern counties before they were carved out of the eastern region. Each county has been given the same information as presented to the Committee.

{Tape : 1; Side : A; Approx. Time Counter : 25.8 - 28.4}

Sen. Keenan asked the Department how many letters were sent out and how many providers there are. Mr. Anderson estimated about seventeen hundred providers total and roughly ten thousand consumers in the last sixty days.

{Tape : 1; Side : B; Approx. Time Counter : 0 - 2.8}

Sen. Swysgood asked if the Mental Health Center providers would be willing to work with another group other than Magellan to

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deliver service. Paul Meyer stated that they are willing to work to progress to a better state than they are in right now and they don't believe Magellan to be the most reasonable solution through the transition.

{Tape : 1; Side : B; Approx. Time Counter : 2.8 - 9.2}

Jim Smith noted that it was never envisioned in a proposal that the mental health centers would be the sole providers within regions and relations with private therapists are necessary. Sen. Swysgood recognized the importance of psychiatrists in the system.

{Tape : 1; Side : B; Approx. Time Counter : 10.8 - 14.3}

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ADJOURNMENT

Adjournment: 7:54 A.M.

REP. BETTY LOU KASTEN, Chairman

DELILA CROUCHER, Secretary

BK/DC

EXHIBIT (jhh60aad)